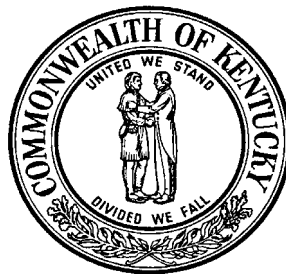


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
FORMER BATH COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2006
Through February 9, 2007**



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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable Debbie Hamilton
Acting Bath County Property Valuation Administrator
Owingsville, Kentucky 40360

We have performed the procedures enumerated below, which were agreed to by the Acting Bath County Property Valuation Administrator, solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2006 through February 9, 2007. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures was solely the responsibility of the former Bath County Property Valuation Administrator (PVA), Paul Goodpaster (deceased). Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (February 9, 2007), to determine if amounts are accurate.

Finding -

The PVA had a receipts ledger, a disbursements ledger, and reconciled bank records to books each month.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

The PVA did not collect from the Cities of Owingsville or Sharpsburg, since both parties agreed it was not financially cost-effective for the cities.



John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable Debbie Hamilton
Acting Bath County Property Valuation Administrator
(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The Fiscal Court budgeted the appropriate statutory contribution. As of audit date, the county had paid half of the amount due the PVA.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Selected disbursements were agreed to cancelled checks and paid invoices. All expenditures were for official business.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay disbursements agreed to cancelled checks, supporting documentation and proper purchase procedures were used. Location of newly acquired assets was verified.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

There was a professional service contract for computer software maintenance. It requires an annual payment. Services received were appropriate, for official business, and properly authorized. The PVA had no vehicle lease agreements or personal service contracts.

John R. Farris, Secretary, Finance and Administration Cabinet
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Acting Bath County Property Valuation Administrator
(Continued)

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The final budget to actual expenditures were compared and the PVA did not overspend any account series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

Collateral was not necessary for the PVA's funds.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

Timesheets were completed, maintained, and hours worked were supported.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to acting PVA.

Finding -

Cash balances were properly transferred from the former PVA to the acting PVA.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable Debbie Hamilton
Acting Bath County Property Valuation Administrator
(Continued)

This report is intended solely for the information and use of the Acting Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
February 15, 2007

